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Government of Saskatchewan

Annual Report 1981

Milk Control Board

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The Honourable Allan E. Blakeney,
President of the Executive Council
of the Province of Saskatchewan

Sir:

I have the honour to submit herewith the FORTY-SEVENTH ANNUAL REPORT of the Milk Control Board, together with the Financial Statements for the year ending December 31, 1981, pursuant to the provisions of Section 37 of the Milk Control Act.

Respectfully Submitted
THE MILK CONTROL BOARD

S. H. Barber

S. H. Barber
Chairman

Regina, Saskatchewan

THE SASKATCHEWAN MILK CONTROL BOARD

FORTY-SEVENTH ANNUAL REPORT - 1981

BOARD MEMBERS

S. H. Barber (Chairman) ---------- Regina

L. P. Fuhr (Member) ---------- Langenburg

J. Hubbard (Member) ---------- Grenfell

Dr. E. S. Humbert (Member) ---------- Saskatoon

OBJECTIVES

1. The Board sets the price of milk at the producer, wholesale and home delivered retail levels.

2. The Board regulates the licensing of dairy processors and designates areas in which they may sell fluid milk and cream.

3. The Board administers Saskatchewan's Market Share Quota plan. This is an industrial milk and cream plan entered into by Federal and Provincial authorities.

4. The Board is responsible for the Saskatchewan producers' fluid milk pool (a fluid milk equalization pool).

5. The Board sets all milk and cream producers' production quotas.

6. The Board carries out administrative, organizational and investigational duties as required.

INTRODUCTION

The forty-seventh year of operation for the Milk Control Board has been an exciting and challenging one.

The Board experienced a significant increase in the number of producer inquiries requesting quota to establish or expand dairy enterprises in Saskatchewan.

A report on "Saskatchewan Fluid Dairy Cost Study" was received in April, 1981. This study was undertaken to aid the Board in it's establishment of producer milk prices and to assist in long range plans for the industry. The Board engaged in several meetings with the Milk Producers Association to discuss the results of the study.

The Board was also very involved with matters related to the administration of Saskatchewan's Market Share Quota Agreement with the Canadian Milk Supply Management Committee and, in particular, with the review of the National Plan.

The above mentioned activities, combined with the general responsibilities of administration of the Act including allocation of milk and cream quotas and quota policy regulations, and regulation of milk supply to the

processing plants, kept the Board and it's staff actively engaged throughout the year.

MILK PRODUCTION AND UTILIZATION

During 1981, fluid milk producers in Saskatchewan sold 165,875,907 kilograms of milk to the fluid milk pool. This represents a 14.2% increase from the 1980 level (Table I). The number of fluid milk producers increased 5.1% from 631 in January, 1981 to 681 in December, 1981. The increased milk production was due to increase in both milk production per herd as well as the number of fluid milk producers.

Class I milk or milk utilized for the bottle trade in 1981 accounted for 98,064,599 kilograms of milk, an increase of 757,786 kilograms or 0.8% over 1980. Of the total production, Class I or top price milk requirements accounted for 59.1% with the remaining 40.9% utilized for manufacturing of non-fluid products.

Home delivered milk sales continued to decrease and accounted for 14.4% of the sales in 1981, while wholesale sales to stores and institutions increased from 50.1% to 51.0%, and country sales remained constant at 34.6% (Table III).

During 1981, milk and cream producers shipped 4,175,486 kilograms of butterfat, 94.1% of Saskatchewan's Market Share Quota allotment.

In August, 1981, the Board completely allocated all of the Province's Market Share Quota to milk and cream producers. Based on production levels from August 1, 1981 to December 31, 1981 and quota allocated to producers, the Board determined that the Province's Market Share Quota allotment of 4,438,000 kilograms of butterfat would be fully utilized by approved producers.

FLUID MILK POOL

The fluid milk pool successfully completed its' seventh year of operation. Under pooling, the Board has the responsibility for purchasing all milk from registered fluid milk producers and selling it to the processors. A major advantage to individual producers is the opportunity to participate equitably in the returns from all Class I sales.

Under the regulations of the fluid milk pool, any milk producer wishing to enter the fluid milk pool must meet the prescribed standards, and have shipped industrial milk for four complete months prior to being accepted into

the pool. As a fluid milk pool member, each producer receives an annual daily quota, which is based on production during the six month quota period (September 1 to February 28). During 1981, the fluid milk pool purchased approximately $5.2 million worth of milk each month for a total of $62.1 million for the year. Table VII outlines the average monthly prices paid to producers for all fluid milk shipments based on milk testing 3.5% butterfat.

The Board and its' committees were very active in examining existing quota policies to meet the changing needs of the industry. To stimulate uniform production throughout the year, an open quota period for the months of September through February inclusive was maintained in 1981. Desired production levels were achieved and the Board and Committee agreed that effective March 1, 1982, the annual daily allocation will be in effect throughout the year.

MILK PRICING

The fluid milk Cost of Production Study continued to be used by the Board as a guide in establishing the prices of Class I milk. The prices of Class I milk increased through three adjustments from $40.54 per hundred kilograms on January 1, 1981 to $44.85 on December 31, 1981

or by 10.63%. The table below outlines a two year comparison of regulated producer milk prices.

REGULATED MILK PRICES PAID BY PROCESSORS BY YEAR

PRODUCT BY CLASS	JAN. 1 1980	DEC. 31 1980	DEC. 31 1981	% INCREASE 1980	% INCREASE 1981
I	$34.37	$40.54	$44.85	+17.95	+10.63
II	$24.71	$28.74	$32.10	+16.31	+11.69
III	$23.26	$26.88	$30.35	+15.56	+12.90

In carrying out it's authority in the fluid milk pricing area (Class I) the Board utilized the results of the Saskatchewan Dairy Farm Accounting Project. This project, begun in January, 1980, is a joint venture involving the Saskatchewan Milk Control Board, the Fluid Milk Producers Association and the Saskatchewan Department of Agriculture.

At the Federal level, the industrial target returns formula (Class II and Class III) has been under review as part of the Government's review of the National Dairy Policy. During 1981, the Canadian Dairy Commission increased the support price for butter and skim milk powder in April and August, to achieve the increases indicated by the industrial milk Cost of Production formula.

TRANSPORTATION

The rationalization of milk transportation is an ongoing program. Movements in producer locations as people enter and leave the industry and shifts of industrial milk producers to the fluid milk pool all contribute to the continuous requirement to regularize transportation routes.

The producer cost of transporting raw milk during 1981 remained stable. However, on January 1, 1982, an increase of approximately 12% will be instituted by the transporters to compensate for increased operating costs. Although this rate of increase was a little less than the general trend of inflation, it will become increasingly more difficult to continue offsetting cost increases with improvement in transporter productivity in the future. Nevertheless, the Board will continue to make sincere efforts, in conjunction with raw milk transporters, to develop programs and policies to obtain further efficiencies in transportation.

Table VIII outlines the rates effective in 1981 and the January 1, 1982 transportation charges, based on each producer's monthly production.

NATIONAL DAIRY POLICY

On July 30, 1981, Agriculture Minister Eugene Whelan announced details of an interim dairy program which provides guidance to the industry until the new long term dairy policy review is completed. As part of the review, a two day conference was held by the Government in Ottawa in March, 1981. In addition, a study is being conducted by consultants, commissioned by the Federal Government, to determine the cost of producing Industrial Milk in Canada. It is the Board's hope that the main elements of the existing policy will remain intact for a further five-year period.

The highlights of the 1981-82 interim Dairy Policy are as follows:

- Total Market Share Quotas, including quota for the export program, remained at 48.9 million hectolitres.
- Federal subsidy remained at $6.03 per hectolitre ($5.86 per hundred kilograms) for industrial milk and cream (3.5% butterfat - $1.67 per kilogram of butterfat).

THE LEVY STRUCTURE

- In-quota levy was set at $3.05 per hectolitre

($2.96 per hundred kilograms), an increase of $.55 per hectolitre.

- Skim-off levy, a contribution from the fluid milk sector, remained at $0.30 per hectolitre. This levy was collected through a deduction from subsidy payments on a volume equal to 5% of each producer's Class I sales.
- Export quota levy was set at $0.25 per hectolitre, applicable only in provinces participating in the Export Quota Program. Saskatchewan is not participating during the 1981-82 Dairy Year.
-Over-quota levy was set at $17.13 per hectolitre ($16.64 per hundred kilograms).
- The target return for industrial milk was increased from $36.61 per hectolitre to $38.06 per hectolitre for industrial milk shipments covered by Market Share Quota.

MILK CONTROL BOARD ACTIVITIES

During 1981, the Board held eight official meetings. In addition, Board members participated in a number of Advisory and Quota Committee meetings, and in meetings with the local dairy industry organization.

The Board Chairman, together with the members of

the Market Share Advisory Committee, attended meetings of the Canadian Milk Supply Management Committee. The Chairman continued to serve on the Secretariat to the Milk Supply Management Committee and also represented Saskatchewan as a member on the Subcommittee to review the Federal-Provincial Agreement on Milk Supply Management.

The Board extends it's grateful appreciation to all staff and committee members, as well as the many individuals and groups who provided service to the Board.

L E G I S L A T I O N

THE MILK CONTROL ACT

During 1981, the Legislative Assembly did not pass any amendments to the Milk Control Act.

MILK CONTROL BOARD ORDERS

The Board was engaged in several meetings with producers and processors to discuss fluid milk price increases. The following is an outline of the Board Orders for 1981.

In Board Order Nos. 538 and 539, filed and effective January 19, 1981, the price structure was revised in

the retail, wholesale and production sectors. The producer's Class I price was increased from $40.54 to $42.00 per hundred kilograms. These orders increased the consumer price of milk by $0.03 per litre for retail home delivery. The following were the adjusted price schedules:

Whole Milk---------- $2.80 per 4 litre pouch pak
---------- $1.44 per 2 litre carton
Partly Skimmed ------ $2.72 per 4 litre pouch pak
---------- $1.40 per 2 litre carton
Skim Milk ---------- $2.52 per 4 litre pouch pak
---------- $1.30 per 2 litre carton
Chocolate Milk ------ $0.81 per 1 litre carton
Buttermilk ---------- $0.76 per 1 litre carton

In Board Order No. 540, filed April 7, 1981, and effective April 16, 1981, the price structure was revised in the production sector. The adjusted prices for Class II and Class III milk are listed below:

Class II Milk ------- $30.70 per hundred kilograms
Class III Milk ------ $28.95 per hundred kilograms

In Board Order Nos. 541 and 542, filed and effective July 16, 1981, the price structure was revised in the retail, wholesale and production sectors. The producer Class I price was increased from $42.00 to $43.90 per

hundred kilograms. These orders increased the consumer's price of milk by $0.02 per litre for retail home delivery. The following were the adjusted price schedules:

Whole Milk- ---------- $2.88 per 4 litre pouch pak
---------- $1.48 per 2 litre carton
Partly Skimmed------- $2.80 per 4 litre pouch pak
---------- $1.44 per 2 litre carton
Skim Milk ---------- $2.60 per 4 litre pouch pak
---------- $1.34 per 2 litre carton
Chocolate Drink ----- $0.83 per 1 litre carton
Buttermilk ---------- $0.78 per 1 litre carton

In Board Order No. 543, filed August 11, 1981, and effective August 16, 1981, the price structure was revised in the production sector. The adjusted prices for Class II and Class III milk are listed below:

Class II Milk ------ $32.10 per hundred kilograms
Class III Milk ------ $30.35 per hundred kilograms

In Board Order Nos. 544 and 545, filed and effective November 1, 1981, the price structure was revised in the retail, wholesale and production sectors. The producers' Class I price was increased from $43.90 to $44.85 per hundred kilograms. These orders increased the consumer price of milk by $0.02 per litre for retail home delivery.

The following were the adjusted price schedules:

Whole Milk----------	$2.96 per	4 litre pouch pak
----------	$1.52 per	2 litre carton
Partly Skimmed-------	$2.88 per	4 litre pouch pak
----------	$1.48 per	2 litre carton
Skim Milk----------	$2.68 per	4 litre pouch pak
----------	$1.38 per	2 litre carton
Chocolate Drink------	$0.85 per	1 litre carton
Buttermilk----------	$0.80 per	1 litre carton

Board Order No. 546, filed October 26, 1981, and effective November 1, 1981, made November, 1981 an assessment free month.

BOARD FINANCING

The Board's financing is derived from assessment fees levied on producers and processors, processor licence fees, and interest on investment.

THE MILK CONTROL BOARD

FINANCIAL STATEMENTS

Year Ended December 31, 1981

OFFICE OF THE PROVINCIAL AUDITOR

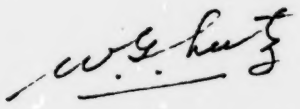
REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Milk Control Board as at December 31, 1981 and the statement of revenue, expenditure and operating surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of The Milk Control Board as at December 31, 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
January 19, 1982.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

THE MILK CONTROL BOARD

BALANCE SHEET

As at December 31, 1981

(with comparative figures at December 31, 1980)

	1981	1980
ASSETS		
Current:		
Cash	$ 17,489	$ 56,793
Short term deposits at cost	320,000	200,000
Accounts receivable		
- producers - on behalf of Canadian Dairy Commission levy	179,869	125,620
- assessment fees	18,084	15,458
- overquota levy	1,992	-
- accrued interest	2,850	2,355
- other	26	170
	540,310	400,396
Fixed:		
Office furniture & equipment at cost	19,156	14,992
	$559,466	$415,388
LIABILITIES AND SURPLUS		
Current:		
Accounts payable - Canadian Dairy Commission	$345,765	$250,330
- overquota levy	4,430	-
- other	1,828	471
	352,023	250,801
Equity:		
Fixed assets (Note 1)	19,156	14,992
Operating surplus (Statement 2)	188,287	149,595
	$559,466	$415,388

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS

Year Ended December 31, 1981

(with comparative figures for the 1980 year)

	1981	1980
Revenue:		
Assessment fees (Note 5)	$168,559	$160,011
Market-share quota management assessment	45,587	51,047
Interest	46,736	25,089
Licence fees	150	140
Miscellaneous	82	-
	261,114	236,287
Expenditure:		
Salaries	133,170	131,382
Travel, sustenance and vehicle expense	19,646	20,012
Fluid Data Collection Project	29,399	16,369
Rent	12,996	12,996
Employee benefits	5,140	4,173
Telephone	5,167	3,537
Honorarium - Advisory Board	3,665	2,948
- Milk Control Board	1,885	1,795
- Milk Control Quota Committee	-	110
Printing, stationery and office supplies	3,034	2,420
Postage	1,763	1,867
Sundry	2,295	1,805
Insurance	98	75
Purchase of fixed assets	4,164	-
	222,422	199,489
Excess of revenue over expenditure	38,692	36,798
Operating surplus, beginning of year	149,595	112,797
Operating surplus, end of year to Statement 1	$188,287	$149,595

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

NOTES TO FINANCIAL STATEMENTS

December 31, 1981

1. Accounting Policy

The Board follows the policy of charging to current year's expenditure the full cost of assets purchased during the year. The cost of the fixed assets is shown on the balance sheet and no depreciation is recorded.

2. Incorporation

The Milk Control Board was established as a body corporate under The Milk Control Act, Chapter 234, Revised Statutes of Saskatchewan, 1965, and is continued under Chapter M-15, Revised Statutes of Saskatchewan, 1978.

The Board has authority to make any regulations or orders in connection with the production, supply, distribution or sale of milk as it may deem necessary.

3. Lease Commitment

At December 31, 1981, the Board was committed under a lease until September 1, 1982 at a monthly rental of $967.

4. Contract Commitment

At December 31, 1981, the Board was committed for an estimated amount of $11,875 for the remainder of a research study.

5. Assessment Free Period

In 1979 the Canadian Dairy Commission gave the provinces the option of collecting levies from producers on the lesser of a volume or butterfat basis for the dairy years 1975-76 to 1978-79. An analysis of the levies collected by the Board showed that their collections would have been $10,084 less if they had collected on a butterfat rather than volume basis. The overcollections were deducted from subsequent remittances to the Canadian Dairy Commission. In the 1979 financial statements this was treated as a payable, but because of the retroactivity and the complexity of the adjustment, the Board was unable to determine who the producer recipients should be.

In 1980, the Board decided to transfer this $10,084 from a payable item to a market share quota management assessment and, if at the end of the 1980 calendar year the Board's funds were deemed to be in excess of requirements, an assessment free period could be imposed.

During 1981 the Board deemed it necessary to grant a one month assessment free period. The free period was in effect during the month of November, 1981 and resulted in $14,233 being foregone in assessment fees from producers and distributors.

TABLE I

TOTAL WHOLE MILK REQUIREMENTS, NUMBER OF MILK PRODUCERS AND AVERAGE DAILY PRODUCTION 1980-81 (KGS)

PERIOD		WHOLE MILK REQUIREMENTS	TOTAL PRODUCTION	NUMBER OF PRODUCERS	DAILY AVERAGE PER PRODUCER
January	1981	8,386,937	12,161,289	631	622
	1980	8,397,685	10,638,264	587	585
February	1981	7,543,396	11,659,393	636	655
	1980	8,189,595	10,474,294	599	603
March	1981	8,363,683	13,991,450	653	691
	1980	8,109,012	11,860,327	610	627
April	1981	7,951,194	14,219,137	661	717
	1980	7,943,372	12,184,573	612	664
May	1981	8,057,396	15,192,893	668	734
	1980	8,158,251	13,090,275	621	680
June	1981	8,056,771	15,060,276	666	754
	1980	7,670,259	13,187,173	628	700
July	1981	8,029,923	15,300,049	671	736
	1980	7,887,059	13,772,411	629	706
August	1981	7,664,295	14,745,536	670	710
	1980	7,921,098	13,334,584	632	681
September	1981	8,302,256	13,563,190	668	677
	1980	8,228,333	12,063,889	633	635
October	1981	8,846,254	13,377,450	672	642
	1980	8,766,825	11,753,332	634	598
November	1981	8,122,022	12,915,562	678	635
	1980	7,671,569	11,091,280	631	586
December	1981	8,740,472	13,689,682	681	648
	1980	8,363,755	11,746,553	632	600
TOTAL	1981	98,064,599	165,875,907	663	685
	1980	97,306,813	145,196,955	621	639
% Change		+0.76	+14.24		+7.20

TABLE II

COMPARATIVE FIGURES ON KILOGRAMS OF MILK PRODUCTION AND SALES 1980-81

CONTROL AREAS		1979	1980	1981
Regina	PRODUCTION	34,989,551	37,157,678	38,463,144
	SALES	30,249,377	30,842,380	31,053,907
Prince Albert	PRODUCTION	6,333,807	6,341,919	6,720,969
	SALES	5,938,361	5,970,295	5,947,314
Yorkton	PRODUCTION	13,846,547	17,616,615	20,313,589
	SALES	7,087,608	7,385,593	7,320,576
Saskatoon	PRODUCTION	47,080,497	52,382,641	62,643,213
	SALES	29,440,263	30,194,680	31,143,435
Swift Current	PRODUCTION	6,622,999	12,056,810	17,634,381
	SALES	5,158,090	5,064,582	4,913,503
Battlefords	PRODUCTION	3,729,574	4,769,873	6,094,872
	SALES	4,401,381	4,524,428	4,498,390
Melville	PRODUCTION	2,354,762	2,325,194	2,348,351
	SALES	2,055,146	1,950,258	1,883,605
Weyburn	PRODUCTION	2,361,440	2,560,662	2,402,692
	SALES	2,504,084	2,487,808	2,511,912
Estevan	PRODUCTION	2,137,943	2,407,421	2,326,148
	SALES	1,817,936	1,896,620	1,912,891
Melfort	PRODUCTION	4,434,335	4,614,406	4,171,602
	SALES	4,179,011	4,082,543	3,907,080
Lloydminster*	PRODUCTION	2,921,674	2,963,736	2,756,946
	SALES	2,919,106	2,907,626	2,971,986
TOTAL	PRODUCTION	126,813,129	145,196,955	165,875,907
	SALES	95,750,363	97,306,813	98,064,599

*Lloydminster is not a controlled area, but under the Saskatchewan fluid milk pool.

TABLE III

COMPARATIVE SALES BY LITRES OF MILK AND CREAM PRODUCTS IN CONTROL AREAS 1980-81

PRODUCTS		RETAIL SALES (HOME DELIVERY)	WHOLESALE SALES	COUNTRY SALES	TOTAL SALES	%
Whole Milk	1980	4,241,070	14,108,363	11,213,559	29,562,992	31.1
	1981	4,002,215	13,951,548	10,975,599	28,929,362	30.2
Partly Skimmed	1980	9,015,500	27,747,196	19,186,855	55,949,551	58.9
	1981	8,627,200	29,184,579	19,694,517	57,506,296	60.1
Skim Milk	1980	984,461	2,167,694	709,930	3,862,085	4.1
	1981	904,207	2,196,739	722,980	3,823,926	4.0
Chocolate Milk	1980	193,020	3,118,721	1,528,886	4,840,627	5.1
	1981	176,105	3,001,345	1,510,159	4,687,609	4.9
Buttermilk	1980	47,880	428,858	291,372	768,110	.8
	1981	42,863	431,078	284,918	758,859	.8
Total Milk Sales	1980	14,481,931	47,570,832	32,930,602	94,983,365	100.0
	1981	13,752,590	48,765,289	33,188,173	95,706,052	100.0
Cream 10%	1980	179,377	1,229,185	489,862	1,898,424	
	1981	168,117	1,212,487	495,117	1,875,721	
Cream 32%	1980	17,754	255,845	176,624	450,223	
	1981	16,557	283,646	190,424	490,627	

TOTAL MILK SALES BY DISTRIBUTION OUTLET 1980-81

	1980	%	1981	%
Retail Sales (Home Delivery)	14,481,931	15.2	13,752,590	14.4
Wholesale Sales	47,570,832	50.1	48,765,289	51.0
Country Sales	32,930,602	34.7	33,188,173	34.6
TOTAL SALES	94,983,365	100.0	95,706,052	100.0

TABLE IV

INDUSTRIAL MILK AND CREAM RECEIPTS 1980-81

MONTH	YEAR	AVERAGE TEST	INDUSTRIAL MILK KILOGRAMS MILK	INDUSTRIAL MILK KGS. B.F.	INDUSTRIAL CREAM KGS. B.F.	TOTAL MILK & CREAM KGS. B.F.
Jan.	1981	3.71	1,728,928	64,200	65,917	130,117
	1980	3.67	2,091,276	76,888	73,651	150,539
Feb.	1981	3.65	1,795,462	65,502	66,362	131,864
	1980	3.64	2,026,550	73,853	74,599	148,452
Mar.	1981	3.62	1,981,774	71,764	87,929	159,693
	1980	3.64	2,379,622	86,676	86,657	173,333
Apr.	1981	3.63	1,955,177	71,047	105,306	176,353
	1980	3.57	2,421,546	86,628	114,632	201,260
May	1981	3.53	2,066,303	72,937	123,739	196,676
	1980	3.14	2,338,116	73,512	141,219	214,731
June	1981	3.36	2,096,390	70,481	149,170	219,651
	1980	3.42	2,372,253	81,166	148,530	229,696
July	1981	3.42	1,998,486	68,388	149,809	218,197
	1980	3.41	2,393,219	81,744	162,330	244,074
Aug.	1981	3.48	1,780,735	62,079	120,140	182,219
	1980	3.48	2,215,273	77,266	143,925	221,191
Sept.	1981	3.58	1,563,154	56,003	110,049	166,052
	1980	3.66	1,967,593	72,058	125,147	197,205
Oct.	1981	3.81	1,335,761	50,871	91,659	142,530
	1980	3.74	1,711,894	64,115	108,451	172,566
Nov.	1981	3.79	1,253,190	47,462	64,328	111,790
	1980	3.80	1,510,366	57,436	68,353	125,789
Dec.	1981	3.73	1,412,260	52,700	59,318	112,018
	1980	3.76	1,574,477	59,310	66,304	125,614
Yearly	1981	3.59	20,967,620	753,434	1,193,726	1,947,160
	1980	3.56	25,002,185	890,652	1,313,798	2,204,450

This table includes the milk and cream receipts from industrial shippers only. It does not include the surplus milk or cream transferred from the fluid milk sector.

TABLE V Page 1

SALES OF MILK AND CREAM PRODUCTS IN LITRES IN CONTROL AREAS 1980-81

		WHOLE MILK	PARTLY SKIM-MED MILK	SKIM MILK	CHOCOLATE MILK	BUTTER MILK	10% CREAM	32% CREAM	TOTAL LITRES
Regina	1980	9,074,630	17,531,268	1,624,478	1,658,162	230,153	730,788	121,449	30,970,928
	1981	8,897,595	18,005,816	1,574,049	1,613,006	230,095	704,025	127,610	31,152,196
% Change		-1.96	+2.70	-3.11	-2.73	-0.03	-3.67	+5.07	+0.58
Prince Albert	1980	2,202,395	3,128,259	140,850	309,661	47,884	65,002	24,924	5,918,975
	1981	2,114,196	3,232,635	128,182	286,304	43,080	66,521	27,039	5,897,957
% Change		-4.00	+3.33	-9.00	-7.55	-10.04	+2.33	+8.48	-0.36
Yorkton	1980	2,739,679	3,966,327	165,235	236,829	88,191	162,706	48,209	7,407,176
	1981	2,625,146	4,038,514	152,933	228,036	87,605	159,998	51,176	7,343,408
% Change		-4,19	+1.81	-7.45	-4.50	-0.67	-1.67	+6.15	-0.87
Saskatoon	1980	8,300,065	18,082,616	1,355,549	1,512,474	224,529	690,484	133,005	30,298,722
	1981	8,306,266	18,978,661	1,378,883	1,501,938	229,878	698,732	154,073	31,248,431
% Change		+0.07	+4.95	+1.72	-0.70	+2.38	+1.19	+15.84	+3.13
Swift Current	1980	1,428,477	3,100,649	172,188	185,275	51,072	52,844	31,565	5,022,070
	1981	1,418,376	2,977,597	164,265	179,647	49,407	51,393	32,438	4,873,123
% Change		-0.71	-3.97	-4.61	-3.04	-3.27	-2.75	+2.36	-2.97
Battlefords	1980	1,630,078	2,463,560	82,364	206,284	32,272	48,866	15,890	4,479,314
	1981	1,561,775	2,520,884	85,671	189,434	30,178	47,017	18,020	4,452,979
% Change		-4.20	+2.32	+4.01	-8.17	-6.49	-3.79	+13.40	-0.59

TABLE V Page 2

SALES OF MILK AND CREAM PRODUCTS IN LITRES IN CONTROL AREAS 1980-81

		WHOLE MILK	PARTLY SKIM-MED MILK	SKIM MILK	CHOCOLATE MILK	BUTTER MILK	10% CREAM	32% CREAM	TOTAL LITRES
Melville	1980	710,026	1,064,218	5,934	113,858	11,380	29,455	22,892	1,957,763
	1981	661,380	1,054,442	6,710	104,614	12,589	30,337	24,641	1,894,713
% Change		-6.86	-0.92	+13.07	-8.12	+10.62	+3.00	+7.64	-3.23
Weyburn	1980	787,073	1,377,606	102,619	140,251	20,682	29,685	9,338	2,467,254
	1981	781,597	1,409,685	112,933	130,109	18,160	30,346	9,845	2,492,675
% Change		-0.70	+2.32	+10.05	-7.24	-12.20	+2.22	+5.42	+1.03
Estevan	1980	641,253	1,072,749	34,542	92,155	10,436	17,808	8,077	1,877,020
	1981	604,146	1,125,496	30,530	96,874	10,344	16,950	8,446	1,892,786
% Change		-5.79	+4.91	-11.62	+5.12	-0.89	-4.82	+4.56	+0.83
Melfort	1980	1,315,041	2,367,397	84,220	181,608	34,685	44,301	25,856	4,053,108
	1981	1,251,116	2,271,071	91,740	164,604	32,286	44,053	25,796	3,880,666
% Change		-4.87	-4.07	+8.92	-9.37	-6.92	-0.56	-0.24	-4.26
Lloydminster*	1980	734,275	1,794,902	94,106	204,070	16,826	26,485	9,018	2,879,682
	1981	707,769	1,891,495	98,030	193,043	15,237	26,349	11,543	2,943,466
% Change		-3.61	+5.38	+4.16	-5.41	-9.45	-0.52	+28.00	+2.21
TOTALS	1980	29,562,992	55,949,551	3,862,085	4,840,627	768,110	1,898,424	450,223	97,332,012
	1981	28,929,362	57,506,296	3,823,926	4,687,609	758,859	1,875,721	490,627	98,072,400
% Change		-2.15	+2.78	-0.99	-3.17	-1.21	-1.20	+8.97	+0.76

*Lloydminster is not a controlled area but under the Saskatchewan fluid milk pool.

TABLE VI

SALES OF FLUID MILK IN LITRES IN CONTROL AREAS 1980-81
(Whole Milk, Partly Skimmed, Skim, Chocolate, Buttermilk)

MONTH		REGINA	PRINCE ALBERT	YORKTON	SASKATOON	SWIFT CURRENT	BATTLEFORDS
Jan.	1980	2,586,298	493,018	602,461	2,599,979	419,187	371,714
	1981	2,622,266	482,596	618,309	2,598,191	401,128	353,303
% Change		+ 1.39	- 2.12	+ 2.63	+ 0.06	- 4.31	- 4.96
Feb.	1980	2,560,823	487,914	613,198	2,471,447	402,016	363,067
	1981	2,347,550	436,201	555,074	2,345,204	358,269	327,956
% Change		- 8.33	-10.60	- 9.48	- 5.11	-10.89	- 9.68
March	1980	2,521,062	490,578	574,233	2,508,196	395,422	355,867
	1981	2,590,304	481,097	601,483	2,629,113	406,456	361,534
% Change		+ 2.74	- 1.94	+ 4.74	+ 4.82	+ 2.79	+ 1.59
April	1980	2,444,575	463,269	596,187	2,381,319	409,608	376,408
	1981	2,444,156	454,463	578,010	2,483,877	406,607	343,892
% Change		- 0.02	- 1.91	- 3.05	+ 4.30	- 0.74	- 8.64
May	1980	2,584,327	500,209	605,636	2,340,512	422,041	375,173
	1981	2,480,872	480,351	602,521	2,436,891	390,230	359,044
% Change		- 4 00	- 3.97	- 0.52	+ 4.11	- 5.41	- 4.30
June	1980	2,370,943	474,579	561,935	2,286,227	408,907	359,219
	1981	2,512,499	482,459	577,460	2,446,029	406,999	374,924
% Change		+ 5.97	+ 1.66	+ 2.76	+ 6.98	- 0.47	+ 4.37
July	1980	2,347,014	499,434	600,128	2,341,905	430,353	391,980
	1981	2,387,265	534,568	588,658	2,431,471	413,077	399,177
% Change		+ 1.71	+ 7.03	- 1.92	+ 3.82	- 4.02	+ 1.83
Aug.	1980	2,450,331	504,162	616,908	2,283,713	419,354	382,709
	1981	2,330,398	487,593	563,801	2,324,857	401,218	356,284
% Change		- 4.90	- 3.29	- 8.61	+ 1.80	- 4.33	- 6.91
Sept.	1980	2,568,016	482,307	602,636	2,547,060	414,505	358,188
	1981	2,578,746	480,136	606,209	2,600,108	401,450	368,950
% Change		+ 0.41	- 0.46	+ 0.59	+ 2.08	- 3.15	+ 3.00
Oct.	1980	2,744,876	498,606	635,782	2,727,466	432,763	381,913
	1981	2,771,337	505,041	632,017	2,783,943	421,141	390,215
% Change		+ 0.96	+ 1.29	- 0.60	+ 2.07	- 2.69	+ 2.17
Nov.	1980	2,377,944	444,505	564,168	2,392,492	372,304	333,329
	1981	2,537,367	466,988	566,409	2,605,156	369,040	353,003
% Change		+ 6.70	+ 5.05	+ 0.39	+ 8.88	- 0.88	+ 5.90
Dec.	1980	2,562,482	490,468	622,989	2,594,917	411,201	364,991
	1981	2,717,801	512,904	642,283	2,710,786	404,677	399,660
% Change		+ 6.06	+ 4.57	+ 3.09	+ 4.46	- 1.59	+ 9.49
TOTAL	1980	30,118,691	5,829,049	7,196,261	29,475,233	4,937,661	4,414,558
	1981	30,320,561	5,804,397	7,132,234	30,395,626	4,789,292	4,387,942
% Change		+ 0.67	- 0.43	- 0.89	+ 3.12	- 3.01	- 0.61

TABLE VI (CONTINUED)

SALES OF FLUID MILK IN LITRES IN CONTROL AREAS 1980-81
(Whole Milk, Partly Skimmed, Skim, Chocolate, Buttermilk)

MONTH		MELVILLE	WEYBURN	ESTEVAN	MELFORT	LLOYD-MINSTER*	TOTALS
Jan.	1980	157,805	203,603	159,282	348,450	253,152	8,194,949
	1981	164,698	203,061	162,803	317,869	259,804	8,184,028
% Change		+ 4.36	- 0.27	+ 2.21	- 8.78	+ 2.62	- 0.14
Feb.	1980	155,378	198,572	148,430	335,852	258,141	7,994,838
	1981	147,900	184,090	144,103	286,738	229,373	7,362,458
% Change		- 4,82	- 7.30	- 2.92	-14.63	-11.15	- 7.91
March	1980	150,593	199,855	150,786	330,698	238,593	7,915,883
	1981	156,042	206,645	156,781	318,503	254,721	8,162,679
% Change		+ 3.61	+ 3.39	+ 3.97	- 3.69	+ 6.75	+ 3.11
April	1980	153,652	199,947	147,691	339,515	240,343	7,752,514
	1981	146,133	193,030	158,331	311,457	237,638	7,757,594
% Change		- 4.90	- 3.46	+ 7.20	- 8.27	- 1.13	+ 0.06
May	1980	184,497	198,575	159,894	358,256	234,176	7,963,296
	1981	163,263	205,064	159,025	318,850	257,154	7,862,265
% Change		-11.51	+ 3.26	- 0.55	-11.00	+ 9.81	- 1.27
June	1980	153,321	200,606	139,354	309,645	223,651	7,488,387
	1981	151,572	202,223	152,553	308,653	248,693	7,864,064
% Change		- 1.15	+ 0.80	+ 9.47	- 0.33	+11.19	+ 5.01
July	1980	169,440	209,181	156,188	345,768	211,245	7,702,636
	1981	154,849	214,765	143,570	324,699	248,518	7,840,617
% Change		- 8.62	+ 2.66	- 8.08	- 6.10	+17.64	+ 1.79
Aug.	1980	159,238	208,808	151,380	326,964	230,071	7,733,638
	1981	143,580	200,916	144,637	305,774	224,134	7,483,192
% Change		- 9.84	- 3.78	- 4.46	- 6.49	- 2.59	- 3.24
Sept.	1980	157,692	201,171	153,224	320,404	226,066	8,031,269
	1981	152,099	206,835	155,371	324,663	229,842	8,104,409
% Change		- 3.55	+ 2.81	+ 1.40	+ 1.32	+ 1.67	+ 0.91
Oct.	1980	165,581	212,450	167,081	339,663	252,360	8,558,541
	1981	157,093	216,949	170,320	340,946	244,073	8,633,075
% Change		- 5.13	+ 2.11	+ 1.93	+ 0.37	- 3.29	+ 0.87
Nov.	1980	145,935	187,306	151,934	296,970	221,780	7,488,667
	1981	147,335	202,506	150,998	306,106	222,245	7,927,153
% Change		+ 0.95	+ 8.11	- 0.62	+ 3.07	+ 0.20	+ 5.85
Dec.	1980	152,284	208,157	165,891	330,766	254,601	8,158,747
	1981	155,171	216,400	168,898	346,559	249,379	8,524,518
% Change		+ 1.89	+ 3.95	+ 1.81	+ 4.77	- 2.06	+ 4.48
TOTAL	1980	1,905,416	2,428,231	1,851,135	3,982,951	2,844,179	94,983,365
	1981	1,839,735	2,452,484	1,867,390	3,810,817	2,905,574	95,706,052
% Change		- 3.45	+ 1.00	+ 0.87	- 4.33	+ 2.15	+ 0.76

TABLE VII

THE AVERAGE MONTHLY PRICE PER HUNDRED KILOGRAMS
FOR ALL FLUID SHIPMENTS -- 1979 to 1981[1/]

MONTH	1979	1980	1981	% Increase 1979 to 1981
JANUARY	$28.10	$32.12	$37.55	33.6
FEBRUARY	28.09	33.89	37.92	35.0
MARCH	28.45	33.39	37.36	31.3
APRIL	28.80	33.26	37.32	29.6
MAY	29.05	33.18	36.90	27.0
JUNE	28.04	33.69	37.00	32.0
JULY	29.15	33.62	37.49	28.6
AUGUST	30.35	35.58	37.52	23.6
SEPTEMBER	30.62	36.84	39.46	28.9
OCTOBER	30.95	37.41	39.86	28.8
NOVEMBER	32.79	36.96	40.34	23.0
DECEMBER	32.10	37.11	40.26	25.4
AVERAGE	29.63	34.93	38.25	29.1

1/ Prices include subsidies less levies at a 3.5% butterfat test.

TABLE VIII

SCHEDULE OF BASIC TRANSPORTATION CHARGES
BASED ON PRODUCER MONTHLY PRODUCTION

KGS. PRODUCED MONTHLY	PRODUCER [1] BASIC RATE 1981	PRODUCER [2] BASIC RATE 1982
[3] /Min. Charge - 9,000	$1.075	$1.204
9,001 - 13,600	1.053	1.179
13,601 - 18,100	1.009	1.155
18,101 - 22,600	.998	1.118
22,601 - 27,200	.987	1.105
27,201 - 31,700	.976	1.093
31,701 - 36,200	.965	1.081
36,201 - 40,800	.954	1.069
40,801 - 45,300	.943	1.056
45,301 - 49,900	.932	1.044
49,901 - 54,400	.921	1.032
54,401 - 58,900	.910	1.019
58,901 - 63,500	.899	1.007
63,501 - 68,000	.888	.995
68,001 - 72,600	.877	.982
72,601 - 77,100	.866	.970
77,101 - 81,600	.855	.958
81,601 - 86,200	.844	.933
86,201 - 90,700	.833	.933
90,701 and over	.833	.933

Distance to be based on the air kilometers between the producer and the nearest processor.

[1] / A kilometer rate of 1.03¢ (.0103) per kilometer per 100 kgs.

[2] / A kilometer rate of 1.15¢ (.0115) per kilometer per 100 kgs.

[3] / Min. Volume Charge increased from 6,800 kgs. to 9,000 kgs. in 1982.